

FEDERAL RESERVE SYSTEM

Agency information collection activities: Announcement of Board Approval under

Delegated Authority and Submission to OMB

AGENCY: Board of Governors of the Federal Reserve System.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) is adopting a proposal to extend for three years, without revision, the Policy Impact Survey (FR 3075 OMB No. 7100-00362).

FOR FURTHER INFORMATION CONTACT: Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC, 20551 (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC 20551.

OMB Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, N.W., Washington, DC 20503 or by fax to (202) 395-6974.

SUPPLEMENTARY INFORMATION: On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the PRA submission, supporting statements and approved collection of information instrument(s) are placed into OMB's public docket files. The Board may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been

extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

Final approval under OMB delegated authority of the extension for three years, without revision, of the following information collection:

Report title: Policy Impact Survey.

Agency form number: FR 3075.

OMB control number: 7100-0362.

Frequency: On occasion, up to five times a year.

Respondents: Bank holding companies (BHCs), savings and loan holding companies (SLHCs), nonbank financial companies that the Financial Stability Oversight Council has determined should be supervised by the Board, and the combined domestic operations of foreign banking organizations.

Estimated number of respondents: 14.

Estimated average hours per response: 850 hours.

Estimated annual burden hours: 59,500 hours.

General description of report: This survey collects information from select institutions regulated by the Board in order to assess the effects of proposed, pending, or recently-adopted policy changes at the domestic and international levels. For example, the survey has been used to collect information used for certain quantitative impact studies (QISs) sponsored by bodies that the Board is a member of, such as the Basel Committee on Banking Supervision (BCBS) and the Financial Stability Board (FSB). Recent collections have included the Basel III monitoring exercise, which monitors the global impact of the Basel III framework,¹ the global systemically

¹ For more information on the Basel III monitoring exercise, including recent examples of QIS surveys sponsored by the BCBS and conducted by the Board, see www.bis.org/bcbs/qis/.

important bank (G-SIB) exercise, which assesses firms' systemic risk profiles,² and a survey of the domestic systemic risk footprint of large foreign banking organizations. The surveys have helped the Board assess changes in regulation related to systemic footprint, insurance underwriting, and trading book securitization, among other areas. Since the collected data may change from survey to survey, there is no fixed reporting form.

Legal authorization and confidentiality: The Board is authorized to collect the information in the FR 3075 from bank holding companies (and their subsidiaries) under section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844(c)); from savings and loan holding companies under section 10(b)(2) of the Home Owners Loan Act (12 U.S.C. 1467a(b)(2)); from non-BHC/SLHC systemically important financial institutions under section 161(a) of the Dodd-Frank Act (12 U.S.C. 5361(a)); from the combined domestic operations of certain foreign banking organizations under section 8(a) of the International Banking Act of 1978 (12 U.S.C. 3106(a)) and section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844(c)); from state member banks under section 9 of the Federal Reserve Act (12 U.S.C. 324); from Edge and agreement corporations under sections 25 and 25A of the Federal Reserve Act (12 U.S.C. 602 and 625); and from U.S. branches and agencies of foreign banks under section 7(c)(2) of the International Banking Act of 1978 (12 U.S.C. 3105(c)(2)) and section 7(a) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)).

These surveys would be conducted on a voluntary basis. The confidentiality of information provided by respondents to the FR 3075 surveys will be determined on a case-by-case basis depending on the type of information provided for a particular survey. Depending upon the survey questions, confidential treatment may be warranted under exemptions 4, 6, and 8 of the Freedom of Information Act (5 U.S.C. 552(b)(4), (6), and (8)).

² For more information on the G-SIB exercise, see www.bis.org/bcbs/gsib/.

Current actions: On February 16, 2018, the Board published a notice in the Federal Register (83 FR 7038) requesting public comment for 60 days on the extension, without revision, of the Policy Impact Survey. The comment period for this notice expired on April 17, 2018. The Board received one comment from a trade association.

Detailed Discussion of Public Comments

The commenter expressed appreciation for QISs, and indicated that members of trade associations continue to participate in the voluntary surveys because of the surveys' importance for the calibration of international standards. The commenter included five recommendations for helping the Board maximize the utility of QISs.

The commenter's first recommendation was that the Board work with the Basel Committee to move QIS submission due dates to quarters, such as the second quarter, during which stress testing and other regulatory reporting requirements do not require significant resources from respondent institutions. Although the timeline for development of QISs is not under the Board's control, the Board has communicated the commenter's concern regarding the timing of QIS submission dates to the Basel Committee QIS working group. In cases where there is flexibility to move a QIS submission date by one or two weeks, the Board will work with the Basel Committee to avoid coincidence with significant reporting deadlines to the extent feasible. However, because the typical timeframe for the entire QIS process is six months and the international working groups often require three or more months to develop a QIS, the Board has a limited window for submission dates that would allow for cleaning the data and a full analysis of results.

The commenter's second and third recommendations were to leverage data available from other reporting forms to gather data that respondents would otherwise report on the QIS,

and, to the extent feasible, to minimize inconsistency between QIS definitions and established market and regulatory definitions. The Board agrees that the goals of minimizing duplication and promoting consistent definitions are worthwhile. To minimize duplication, the Board already periodically reviews QISs and eliminates data items that have become available through other reporting channels. The Board will continue to work with the sponsoring body of a collection to identify established market and regulatory definitions and to minimize any inconsistency when feasible.

The commenter's fourth recommendation was to release for notice and comment any QIS that gathers data for the purpose of calibrating international standards. The Board welcomes feedback on current and future QISs from firms both formally, through frequently asked questions (FAQs), and informally via newly instituted QIS outreach sessions, ad hoc discussions, and e-mails. As a general matter, however, the Board is unable to guarantee the release of QISs for notice and comment because international working groups often require three or more months to develop QISs, and the typical timeframe for the entire QIS process is six months. The full notice-and-comment period under the PRA for information collections is 60 days. In order to alter such a proposed QIS prior to its finalization, the international working groups that develop the QIS would need to reconvene and the development process would need to be reopened. Given these constraints, the Board may have insufficient time to conduct the final survey and analyze the results within the typical six-month QIS timeframe. However, when a QIS template is available in advance of the planned distribution date, the Board works to distribute the templates to respondents early for information purposes, and when time allows, to obtain feedback. The Board has sent several proposed collections to firms for feedback in advance of the due date, including the end-December 2017 Basel Monitoring collection, and the newly

proposed Basel III Monitoring Capital and Liquidity collections. Upon receiving feedback from firms, the Board, in conjunction with the Basel Committee QIS working group, often revises the templates and applies the feedback to subsequent templates in order to enhance the relevance and quality of collected data.

The commenter's final recommendation was for the Board to recognize QIS data limitations when applying international standards to U.S. institutions. The commenter noted the example of a QIS for the largest financial institutions in connection with Basel III, arguing that it did not capture the impact of the proposals on all segments of the U.S. banking sector, its customers, and the broader U.S. economy. The Board recognizes the limitations of QIS data and confirms that QISs are a tool that serves as a starting point for assessing the impact of proposals.

The information collection will be extended without revision as proposed.

Board of Governors of the Federal Reserve System, January 17, 2019.

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Assistant Secretary of the Board.

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